



IFS Capital (Thailand) PCL

Fraud Prevention Policy & Procedures

Objective

The Fraud Prevention Policy & Procedures (“**the Policy**” or “**Fraud Policy**”) is established to facilitate the development of controls that will aid in the detection and prevention of fraud against IFS Capital (Thailand) Public Company Limited (“**IFS**” or “**the Company**”).

It is the intent of IFS to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations. IFS adopts a zero-tolerance approach to fraud and will not accept any dishonest or fraudulent act committed by internal and external stakeholders.

All employees are responsible to:

- ensure that they read, understand and comply with this Policy as well as any future updates and other materials issued from time to time as part of IFS’ efforts to educate, detect and prevent fraud;
- ensure that they are familiar with, and comply with, all controls and procedures as set out in their areas of responsibility;
- report any actual or suspected fraudulent activity in accordance with this Fraud Policy; and
- avoid any activity that might lead to, or suggest, a breach of this Fraud Policy.

IFS is committed to ensuring that no employee will suffer retaliatory action as a result of reporting in good faith his or her suspicion that an actual or suspected fraudulent act has taken place.

Scope

Fraud is an intentional deceptive and dishonest act that is committed by one or more individuals to obtain some benefit, or to cause detriment to some person or to IFS.

This Policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of



such agencies, and/or any other parties with a business relationship with IFS. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to IFS.

The actions constituting fraud include, but are not limited to:

- Any dishonest or fraudulent act
- Deliberate effort to mislead, deceive, manipulate, coerce or fraudulently influence any internal or external auditor/accountant in connection with the preparation, examination, audit or review of any financial statements or records of the company
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions which include false accounting and misleading disclosures, i.e. dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting, audit or financial purposes, or furnishing information which is misleading, false or deceptive
- Profiting as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the company
- Collusions with brokers or agents on fees and commission in relation to business transactions
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company. Exception: Festive gifts typically given for the festival (e.g. food hampers, mooncakes) less than Baht 5,000 in value, subject to disclosure requirements per the Code of Business Conduct. For avoidance of doubt, gifts in the form of cash must NOT be accepted (for further guidance on this subject – please refer to IFS' Anti – Corruption Policy and Code of Business Conduct).
- Giving or receiving of bribes, kickbacks, gratifications or other corrupt payments (for further guidance on this subject – please refer to IFS' Anti – Corruption Policy and Code of Business Conduct);
- Facilitation of payments to public official, either directly or indirectly, to expedite or secure performance of routine government actions that the official is already obliged to perform;
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

Any detected or suspected irregularities must be reported immediately to IFS' Internal Auditor (“**IA**”) or the Chief Executive Officer (“**CEO**”). Where deemed appropriate, the irregularity may be reported directly to the Audit Committee Chairman and/or the Board Chairman of IFS.



Irregularities concerning an employee's moral, ethical, or behavioral conduct should, in the first instance, be resolved by immediate supervisor/Head of Department and/or the Human Resources Department. Alternatively, where there is abuse of power or miscarriage of justice, it should be reported through the whistleblowing channel as set out in IFS' Whistleblowing Policy and Procedures.

Management's responsibilities

IFS' CEO is responsible for developing and maintaining effective internal controls to prevent fraud and to ensure that if fraud does occur, it will be detected promptly. Each member of the Management team shall be familiar with the types of impropriety that might occur within his or her area of responsibilities and be alert for any indication of irregularity.

IFS' CEO must ensure that all employees are aware of this Policy and their responsibilities for fraud control through regular training programmes.

Investigation of Fraud

IA is primarily responsible for investigating all suspected fraudulent acts. The Audit Committee may, at its discretion, employ external independent investigators to look into a particular case. If the investigation substantially confirms that fraudulent activities have occurred, IA will issue reports to the Audit Committee.

Decisions to prosecute or refer the matter to the appropriate law enforcement and regulatory agencies for independent investigation, will be made in conjunction with legal counsel and senior management.

All information received by IA during its investigation shall be treated as confidential. Investigation findings or results will only be disclosed or discussed with persons on a strictly need-to-know basis.

Reporting Procedures

(Please refer to Annex – Flow Chart on Reporting Fraud)

Great care must be taken in the investigation of suspected irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity should report immediately to the CEO. Alternatively, the staff can lodge a report (which may be anonymous) in accordance with IFS'



Whistleblowing Policy and Procedures, and to provide such information and/or assistance as may be required for a thorough investigation to be conducted.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so.

Actions Against Employees

Employees found to have participated in fraudulent acts will be subject to disciplinary actions. Criminal and civil actions may also be initiated against him/her.

Upon receiving the investigation report, the CEO shall decide on the appropriate actions. For significant cases, the decision will be escalated to the Audit Committee and/or the Board.

Reporting to Audit Committee

IA will provide a regular report of all fraud cases to the Audit Committee, setting out the information received, status and disposition of each case.

Administration

This Policy will be reviewed periodically and revised as needed by the Audit Committee.

The Board of Directors, Executives, Staff and parties in relation to IFS must understand and follow the Fraud Prevention Policy and Procedures in order to achieve the Company's objectives which shall be effective from 18th February 2021 onwards.

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(Mr. Randy Sim Cheng Leong)
Chairman of the Board of Directors

This Fraud Prevention Policy and Procedures has been approved by the Board of Directors' Meeting No. 1/2021 held on 18th February 2021.



Flow Chart - Reporting Fraud

